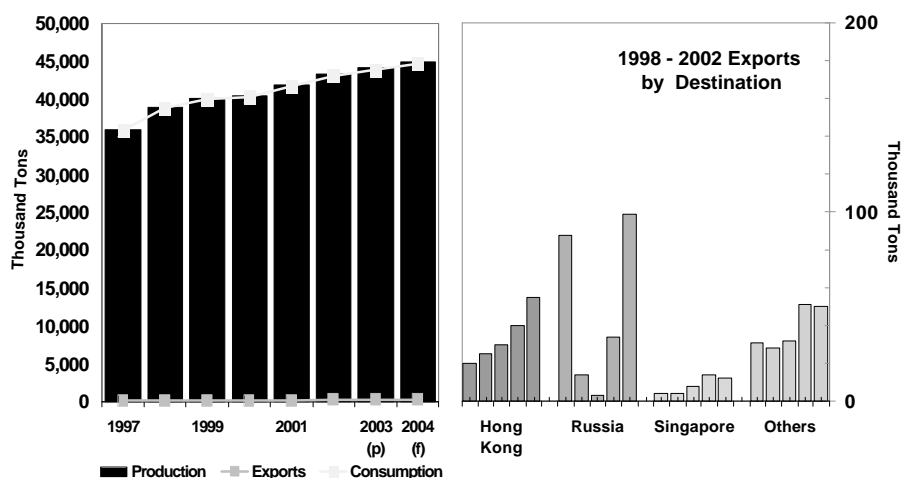


China's Pork Situation

	1997	1998	1999	2000	2001	2002	2003(p)	2004(f)
(1,000 tons; CWE)								
Production	35,963	38,837	40,056	40,314	41,845	43,266	44,100	44,938
Imports	14	46	43	50	58	60	56	70
Exports	158	143	75	73	139	225	300	300
Consumption	35,819	38,740	40,024	40,291	41,764	43,101	43,856	44,708

China's Pork Production Continues to Increase While 2004 Exports Are Expected to Remain Flat



China's swine industry faces stagnant demand from consumers due to gaining popularity of other meats. Official statistics showed a smaller pace of growth in both swine inventory and pork production in 2002 over the previous year. The past nine months, hog prices were at low levels. However, low feed prices have helped the swine industry gain some marginal profits. Pork consumption still commands the largest share of all meats consumed. According to NSB, China's per capita consumption was 1.78 kilograms in the first five months in 2003, accounting for 62 percent of all meat. However, growth in total volume consumed reflects the steady pace of population growth and not per capita consumption gains. Chinese consumers, especially women and the older generation in urban cities, consider pork too fatty compared with others meats, a factor which consumers view as not healthy. According to the industry, most pork consumption increases stem from residents of newly urbanized towns and farmers who do manual labor in cities. Wealthier Chinese consumers are looking for greater diversity in their meat consumption such as beef, mutton and poultry. This trend is expected to continue in the next couple of years as rising income make purchases of other meats more affordable.

China
PORK IMPORTS
(in metric tons)

Fresh

Origin	1996	1997	1998	1999	2000	2001	2002
Australia	0	0	0	10	0	265	50
Canada	0	544	0	24	41	71	0
EU-15	5	457	2,255	713	1,051	769	79
United States	0	182	32	0	93	282	823
Others	0	208	1,930	0	47	0	88
Total	5	1,391	4,217	1,174	1,232	1,387	1,040
US market share	0%	13%	1%	0%	8%	20%	79%

Frozen

Origin	1996	1997	1998	1999	2000	2001	2002
Australia	16	83	46	50	295	972	1,257
Brazil	121	170	131	155	313	720	2,253
Canada	214	1,805	4,324	4,841	5,349	8,571	19,378
Chile	0	94	264	216	273	53	0
EU-15	575	5,609	27,459	30,860	35,977	34,650	31,892
Poland	0	0	0	18	158	287	82
Taiwan	0	0	1,431	0	0	0	0
Thailand	0	4	0	0	50	0	0
United States	654	2,981	6,345	4,238	4,335	8,403	9,664
Others	0	24	150	20	47	194	557
Total	1,580	10,770	40,150	40,398	46,797	53,850	65,083
US market share	41%	28%	16%	10%	9%	16%	15%

Prepared

Origin	1996	1997	1998	1999	2000	2001	2002
Australia	1	4	0	1	0	0	0
Brazil	0	46	156	548	200	876	876
Canada	1	83	76	143	248	65	65
Chile	0	0	21	0	0	71	71
EU-15	3	960	797	634	1,264	1,030	1,030
Japan	78	31	132	63	0	0	0
New Zealand	0	1	3	7	1	0	0
Poland	0	0	0	0	21	213	213
United States	87	1,032	260	434	45	119	119
Others	32	0	0	0	0	20	20
Total	202	2,157	1,445	1,830	1,779	2,394	2,394
US market share	43%	48%	18%	24%	3%	5%	5%
Grand Total	1,787	14,318	45,812	43,402	49,808	57,631	68,517
US market share	41%	29%	14%	11%	9%	15%	15%

China
PORK IMPORTS
(in metric tons)

Source: UN Trade Statistics for 1995-96, Exporters' data for 1997-2002

China
PORK EXPORTS
(in metric tons)

Fresh/Chilled

Destination	1996	1997	1998	1999	2000	2001	2002
Hong Kong	44	0	83	143	118	0	36
Korea, North	44	7	2	0	28	223	8
Philippines	0	0	0	630	0	0	0
Russia	2,001	267	0	0	0	0	0
Singapore	0	63	0	0	0	0	0
Others	12	72	30	0	0	50	0
Total	2,100	409	115	773	146	273	44

Frozen

Destination	1996	1997	1998	1999	2000	2001	2002
Albania	0	0	0	0	0	1,480	1,832
Bulgaria	0	0	0	0	639	3,559	407
EU-15	1,023	1,007	443	73	268	552	78
Hong Kong	20,361	31,215	29,064	35,546	40,763	51,067	60,618
Japan	77	109	0	2	1	0	25
Kazakhstan	280	130	792	144	0	0	0
Korea, North	870	1,111	646	635	857	4,853	9,003
Korea, South	38	40	0	0	0	0	25
Macau	3,196	2,724	2,463	1,986	2,043	2,098	2,481
Mongolia	45	2	1	0	0	0	0
Philippines	0	0	0	108	38	64	1,449
Russia	96,731	60,577	68,213	11,306	1,913	26,481	75,587
Singapore	3,497	3,662	2,361	2,776	5,538	11,276	8,729
Slovenia	762	260	0	0	0	0	0
Sri Lanka	0	0	16	0	1	0	0
Taiwan	168	325	37	130	70	0	0
UAE	135	155	190	137	136	489	394
Others	51	1,526	138	158	348	1,019	1,275
Total	127,234	102,844	104,364	53,000	52,615	102,936	161,903

Processed

Destination	1996	1997	1998	1999	2000	2001	2002
Hong Kong	20,075	20,296	23,240	23,228	23,963	25,564	25,094
Japan	4,986	5,788	7,647	9,772	9,469	11,797	14,172
Macau	618	740	660	901	919	999	776
Malaysia	7,106	7,835	4,878	5,561	6,952	10,196	10,983
Russia	7,989	999	174	263	0	10	1
Taiwan	160	78	1	42	45	0	0
Other	14,716	15,822	15,427	16,732	16,877	19,769	23,241
Total	55,651	51,557	52,027	56,499	58,225	68,335	74,267

Grand Total	184,985	154,810	156,506	110,272	110,986	171,544	236,213
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Source: China Customs